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JAPAN

Digest

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Japan's Defence Budget

Defence ministry requested [¥5.59 trillion yen](#) (\$40.4 billion) budget for FY 2023 on August 31, continuing the northward trend in defence budget for 11 straight years. The budget request will be examined by finance ministry and finalised in December. Since Japan is currently revising key security and defence documents, due to be released later this year, ministry for now has just listed defence-related requests without revealing specific costs. Reports indicate that the final budget would stand around ¥6 trillion once the specific costs of items are decided. Domestic discussion concerning devoting 2% of GDP on defence underscores a general trend towards fundamentally reinforcing defence capabilities within the next five years. Prime Minister Kishida has stressed that 'what I've been proposing is to build the necessary defence capability in five years, while keeping a close eye on what's happening in other countries.....as we prepare to acquire what's necessary, it will become clear how big a (defence) budget we need, and then, depending on the size of the budget, we will need to think about how to finance it'.

The budget request is focussed on 'stand-off defence capabilities' including production of longer-range missiles; 'comprehensive air and missile defense capabilities'; 'unmanned asset defense capabilities' for instance drones; 'cross-domain operational capabilities' encompassing space, cyberspace, and electromagnetic domains; 'command and control and intelligence-related functions'; and 'sustainability and resiliency'. As Japan aims to increase the range of Japan's standoff missiles, the budget requested funds for production of an extended-range version of Type 12 Surface-to-Ship Missile

in FY 2023. The defence ministry also requested funds in order to continue research on Hyper-Velocity Gliding Projectile and hypersonic missiles. Additionally, [reports](#) indicate that the Air Self-Defense Force intends to purchase six more F-35A Lightning II Joint Strike Fighters and six more F-35B Lightning multirole fighter aircraft. Additionally, there are requests to acquire six 1,920 tonne-class next-generation offshore patrol vessels with the goal of stepping up surveillance.

Defence Minister Yasukazu Hamada has underscored that 'we are entering a new era of crisis' and 'the international community as a whole has entered the most trying time since the end of the previous war, and the existing order is being seriously challenged'. As such, there is an urgent need to rethink Japan's national security priorities amid intensifying threats from China, Russia and North Korea.

Chinese missiles in Japanese EEZ

As tensions rose following US House Speaker Nancy Pelosi's visit to the region and Chinese military exercises, defence ministry confirmed that [five ballistic missiles](#) landed in Japan's Exclusive Economic Zone, making it the first time that Chinese missiles have fallen into Japan's EEZ. During her visit to Japan, Prime Minister Kishida held a breakfast meeting with Speaker Pelosi where Prime Minister Kishida [underscored](#) that Tokyo and Washington 'will continue to work closely together to maintain peace and stability across the Taiwan Strait'. He stressed that 'China's launch of ballistic missiles into the sea close to Japan, including its Exclusive Economic Zone (EEZ), is a serious issue concerning Japan's

security and the safety of Japanese people and that Japan strongly condemned China and lodged a protest'. Meanwhile, China has argued that 'since China and Japan have not yet carried out maritime delimitation in relevant waters, China does not accept the notion of so-called Japanese EEZ'.

China-Japan Dialogue

On August 17, Japanese National Security Adviser, Takeo Akiba and Yang Jiechi, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee and director of the Office of the Foreign Affairs Commission of the CPC Central Committee held a meeting in Tianjin discussing a wide range of bilateral and regional security issues. Earlier in August China cancelled a meeting with Japanese foreign minister in Cambodia on the side-lines of ASEAN related meetings following the G7 statement on Preserving Peace and Stability across the Taiwan Strait. As 2022 marks the 50th anniversary of the normalization of diplomatic relations, Foreign Minister, Yoshimasa Hayashi indicated that Japan and China are considering 'specific steps' towards a summit. Reports indicate that a virtual meeting may happen in fall, but options of meeting in a third country is also explored, for instance at the Group 20 summit in Indonesia.

Shifts in Japan's Energy Policy

Kishida government is leaning towards building next-generation nuclear power plants with the objective of ensuring stable electricity supply and easing of carbon emissions as Japan pursues the target of net-zero by 2050. International Energy Agency chief, Fatih Birol extended support to Japan's decision. Furthermore, Japan [reportedly](#) is also weighing the option of

stretching the maximum 60 years' service period for the existing reactors. After the Fukushima meltdown, Tokyo opted for stringent safety standards which limited the operation of reactors to 40 years. However, an additional 20 years operation may be possible in case safety upgrades are done and qualifies in the screening process by regulators. This is because some nuclear power reactors, for instance Hokkaido Electric Power's Tomari reactor have taken nearly a decade to be approved for operation. Thus there are talks about excluding the years spent on safety reviews from real operating life. The goal set is for nuclear energy to account for 20-22% of Japan's electricity supply in 2030. Prime Minister Kishida intends to restart up to 17 nuclear power plants beginning in the summer of 2023. Meanwhile, METI is reviewing the potential of safer light-water reactors with plans to begin commercial operation in the 2030s. However, domestic politics around reliance on nuclear energy will continue to remain a contentious issue as LDP's junior coalition partner Komeito urged for reducing dependence on nuclear energy.

Maruti Suzuki completes 4 decades in India

Unveiling a new chapter as Maruti Suzuki celebrates 40 years in India, Prime Minister Modi laid the foundation stones of Maruti Suzuki's Electric Vehicle (EV) battery manufacturing plant in Hansalpur and vehicle manufacturing plant at Kharkhoda. Furthermore, Prime Minister Modi has encouraged Suzuki to work on compressed bio-methane gas fuel projects as India aspires to become Aatmanirbhar and since the 'major part of energy consumption is in the transport sector, innovation and efforts in this sector should be our priority.'